

SENATE BILL REPORT

2SHB 1095

As of March 19, 2009

Title: An act relating to increasing small business access to state contracting opportunities.

Brief Description: Increasing small business access to state contracting opportunities.

Sponsors: House Committee on General Government Appropriations (originally sponsored by Representatives Hasegawa, Green, Nelson, Kelley, Kenney, Chase, Conway and Hudgins).

Brief History: Passed House: 3/05/09, 97-0.

Committee Activity: Government Operations & Elections: 3/23/09.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Staff: Edward Redmond (786-7471)

Background: Washington agencies contract with individuals and companies outside of state government to provide certain goods and services. The state's purchasing authority is generally organized into categories based on the type of service. Among these categories, and the lead agency for each, are (1) purchased goods and services (Department of General Administration), provided by a vendor to accomplish a specific study or project; (2) personal services (Office of Financial Management), referring to professional or technical expertise provided by a consultant to accomplish a specific study or project; (3) information services (Department of Information Services/Information Services Board), including data processing, telecommunications, office automation, and computerized information systems; and (4) printer services (State Printer), referring to the production of the state's printed materials.

The Washington Electronic Business Solutions (WEBS) is the state's online portal through which government purchasers can post bid opportunities and vendors can register to automatically receive electronic notification of such solicitations. Effective November 1, 2008, the Office of State Procurement within the Department of General Administration (GA) issued a policy directive requiring state agencies to use WEBS as the minimum and common approach to notifying vendors of certain business opportunities. The policy applies to those solicitations that are required by rule to be advertised because they exceed specified dollar limits. These include (1) for the GA, any solicitation exceeding \$46,200; (2) for the Department of Information Services (DIS), any solicitation exceeding \$249,999; and (3) for the Office of Financial Management (OFM), any solicitation exceeding \$19,999.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The Legislature finds state government procurement of goods and services to be a largely untapped market for Washington small businesses. Increasing small business awareness of and access to state contracting opportunities is in the state's economic interest. In addition, broadened competition for state procurement awards will result in more competitive pricing of public contracts. The Legislature intends to require state agencies to use the common vendor registration and bid notification system for publishing all procurement notices. The Legislature also intends to direct the state's central services agencies to develop policies, procedures, and materials that facilitate state procurement from small businesses.

"Small business" is defined as an in-state business, independently owned and operated that, together with affiliates, has 50 or fewer employees and average annual gross receipts of \$10 million or less over the previous three years. "In-state business" is defined as a business having a principal office and its officers in Washington. "Common vendor registration and bid notification system" is defined as an internet-based system maintained by and housed within the GA.

The GA, the OFM, the Information Services Board, and the State Printer must develop procurement policies and procedures such as unbundled contracting and subcontracting which encourage and facilitate state agency purchases of products and services from Washington small businesses to the maximum extent practicable and consistent with international trade commitments.

Competitive solicitations for purchased goods and services, personal services over \$5,000 and sole source personal services, information services, and printing services must be posted on the state's Common Vendor Registration and Bid Notification System.

The GA must convene a working group (State Printer, DIS, and the OFM) to develop common policies and procedures to facilitate state government purchases from Washington small businesses. The working group must provide a written progress report to the Governor and Legislature by December 1, 2009.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.